

	9 months	11 months
(1) Annualized income	\$352,000.00	\$348,000.00
(2) Tax on item (1) reduced by \$100,000.....	77,640.00	75,460.00
(3) 70 percent of item (2).....	54,278.00	52,822.00
(4) 10 percent of item (3).....	5,427.80	5,282.20

Since the total amount of all payments of estimated tax actually paid on or before March 15, 1956, \$3,550 (\$1,755 x 2), does not equal or exceed the total amount which would have been required to be paid on or before such date if the estimated tax were 70 percent of the tax determined by placing on an annual basis the taxable income for either the 9- or 11-month period, the addition to the tax with respect to the underpayment of the March 15, 1956, installment must be imposed.

Because this Treasury Decision merely makes clerical and clarifying changes in the regulations issued under sections 164 and 6655 of the Internal Revenue Code of 1954, it is found unnecessary to issue this Treasury Decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that act.

(This Treasury Decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U. S. C. 7805).)

O. GORDON DELK,

Acting Commissioner of Internal Revenue.

Approved May 15, 1958.

FRED C. SCRIBNER, JR.

Acting Secretary of the Treasury.

Filed by the Division of the Federal Register on May 20, 1958, 8:51 a. m., and published in the issue of the Federal Register for May 21, 1958, 23 F. R. 5413.

SECTION 167.—DEPRECIATION

26 CFR 1.167(a)-1: Depreciation in general.

No depreciation allowed of buildings constructed under certain contracts with Post Office Department. See Rev. Rul. 59-281, page 15.

SECTION 170.—CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS

26 CFR 1.170-1: Charitable etc., contributions and gifts; allowance of deduction.

Rev. Rul. 58-279

The taxpayer, an aircraft pilot, performs various services gratuitously for the Civil Air Patrol, an organization of the type described in section 170(c) of the Internal Revenue Code of 1954. He uses his personally owned aircraft, automobile, and other equipment hereinafter mentioned in performing such volunteer services; pays the entire cost of their maintenance and repair; purchases the gasoline and oil used therein, except for fuel and lubricants consumed on "Air Force-authorized missions;" and is not otherwise reimbursed for any such expenses. *Held*, since the organization is a qualified donee under sec-

tion 170(c) of the Code, the taxpayer may, to the extent of the limitations prescribed in section 170, deduct the nonreimbursed, out-of-pocket expenses directly attributable to the performance of such volunteer services, such as those incurred by the taxpayer for the operation, maintenance, and repair of a personally owned aircraft, automobile, communication system, and telescope, as well as those similarly incurred for the purchase and maintenance of distinctive uniforms which the taxpayer is required to wear while engaged in official Civil Air Patrol activities and is prohibited from wearing except on such occasions. Such expenses are deductible as contributions "for the use of" that organization. Only those expenditures incurred for operation, maintenance, and repair, which are directly attributable to the use of such aircraft, automobile, communication system, and telescope in performing gratuitous services for such organization are deductible. No deduction is allowed for a proportionate share of general maintenance or general repairs of such equipment. *Held further*, the foregoing principle is not extended to allow a deduction either for the fair rental value of such use, or for the depreciation occasioned by such use, of the aircraft, automobile, communication system, or telescope, in performing volunteer services for the organization. See I. T. 3918, C. B. 1948-2, 33. Furthermore, since liability and property damage insurance carried on a motor vehicle is for the protection of the individual, the premiums paid on such insurance do not qualify as an expense attributable to the use of a vehicle and, consequently, cannot be considered a contribution or gift within the meaning of section 170 of the Code.

For other published rulings on this issue, see Revenue Rulings 55-4, C. B. 1955-1, 291; 56-508, C. B. 1956-2, 126; and 56-509, C. B. 1956-2, 129.

SECTION 213.—MEDICAL, DENTAL, ETC., EXPENSES

26 CFR 1.213-1: Medical, dental, etc., expenses.
(Also Part II, Section 23x; Regulations 118,
39.23(x)-1.)

Rev. Rul. 58-980

The cost of special education, training, and treatment afforded a mentally retarded child in an institution is deductible as a medical expense. The total cost of meals, lodging, and ordinary education, furnished a mentally retarded child attending a special school, is deductible as a medical expense only where the availability of medical care in such institution is a principal reason for the child's presence there. It is immaterial whether such medical care is furnished in a public or private institution.

Revenue Ruling 55-261, C. B. 1955-1, 307, modified.

Advice has been requested (1) whether the cost of special education, training, and treatment given a mentally retarded child in a public or private institution is considered medical care and (2) whether the cost of meals, lodging, and ordinary education, furnished a mentally retarded child attending a special school, is deductible as a medical expense.

Section 213(a) of the Internal Revenue Code of 1954, provides in part that "There shall be allowed as a deduction the expenses paid